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ABSTRACT

A review of the American Hispanic market looks at the size and characteristics of the Hispanic population and its economic patterns. It begins by examining separate markets and cultural groups and the issue of whether the market is assimilating or internally homogeneous. General and ethnic-related demographics are then examined, including data on median income, median age, household size, education, and occupation. Cultural characteristics such as sex roles and significant holidays and festivities are outlined, and Hispanic consumer behavior is analyzed, including spending patterns, shopping habits, brand loyalty, and use of coupons. Observations are made about reaching the Hispanic community through marketing, making community involvement work for business, and the effectiveness of mass media in accessing the Hispanic population. (MSE)

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The U.S. Hispanic Market: An Overview[1]

Introduction

The untapped U.S. Hispanic market presents unique challenges and unlimited opportunities to those who will understand it and pursue it.

The market's purchasing power is currently estimated at between 70 and 95 billion dollars. This makes the Hispanic consumer not only an important market segment, but a market force that changes a brand's overall share. Hispanics exert a leverage in the marketplace that is disproportionate to the actual size of the population.

Estimates place the Hispanic population of the United States at 17.6 million persons (Strategy Research Corporation 38). It is a young population (the median age is 23) and is growing six times as fast as the general population (Strategy Research Corporation 58). At current growth rates, the U.S. Hispanic population is expected to reach 27 million by the year 2000 (Strategy Research Corporation 37).

Hispanics give marketers the advantage of being clustered in a way few other markets are. Thirty metropolitan areas contain 84 per cent of the total U.S. Hispanic population (Strategy Research Corporation 129). In fact, just six metropolitan areas (Los Angeles, New York, Miami, San Antonio, Chicago and San Francisco) contain more than 50 per cent of the total U.S. Hispanic population (Strategy Research Corporation 130).

The U. S. Hispanic Market: Is It Assimilating?

The Hispanic market is not one that will eventually melt into the American cultural mainstream. Instead, it is a major cultural and linguistic group that is different from the mainstream, and it is not assimilating.

According to Richard Tobin, President of Strategy Research Corporation, "The general thrust is that as the Hispanic market grows larger... it is growing more separate from the U. S. population. It used to be that if a Hispanic wanted to experience all that America could offer, he had to enter the greater Anglo community. Now he doesn't have to do that."

Instead of assimilating, Hispanics are "crossculturalizing". That is, they are maintaining their own distinct cultures while adapting to American culture. The proximity of Hipanic immigrants to their homelands and frequent travel create a constant awareness and reinforcement of their heritage.

In view of this, the Hispanic market is not one that can be entered until it melts into the American cultural mainstream. The consensus among marketers is that it must be entered on a long term basis.

Markets Within The U. S. Hispanic Market

The 17.6 million Hispanics in the United States are divided into the following groups with regard to their country of origin or ancestry:

Nationality	Percent of Total
Mexican	59.3%
Puerto Rican	13.6%
Cuban	5.8%
Other (Dominican Republic, Central and South American)	21.3%

Source: Strategy Research Corporation 39

Various regions of the United States are clearly dominated by specific Hispanic groups. For example, 97 percent of the Hispanics residing in the Texas/Southwest area and 81 percent of the Hispanics in California are of Mexican origin. In Florida, 87.3 percent of the Hispanics list Cuba as their country of origin. In New York, Puerto Ricans comprise 58.1 percent of the Hispanic population (Strategy Research Corporation 41).

The Hispanic Market: Homogeneous Or Not?

Is the U. S. Hispanic population homogeneous or a collection of subcultures, each with its own separate identity? Recent studies (Yankelovich, Skelly & White) suggest that U. S. Hispanics are becoming more homogeneous as the different subgroups recognize the ties that bind them. The Yankelovich, Skelly & White report (62) shows that 50 percent of the Hispanics surveyed think of themselves as Hispanics first, Americans second.

It is true, nonetheless, that the various Hispanic subgroups each have a strong sense of their own cultural identity. The Yankelovich study (65) shows that when asked, 80 percent of Los Angeles Hispanics will tell you they are Mexican-Americans, 60 percent of New York's Hispanics will claim to be Puerto Ricans, and 84 percent of Miami's Hispanics will say they are Cubans.

While it is true that Mexicans, Puerto Ricans and Cubans each have their own cultural and linguistic idiosyncracies, it is also true that they have much in common, and there are those who believe that the similarities outweigh the differences. For example, each Hispanic subgroup has its own distinct language dialect. Mexican Spanish is as different from Caribbean Spanish as British English is from American English. Nevertheless, it is the same language and, in most cases, is mutually intelligible. The Spanish language is perhaps the single most important unifying force that links Hispanics of all nationalities together.

Many marketers now are touting the existence of the "national Hispanic market." They claim that there exists a "generic" or "standard" Spanish which is acceptable to all Hispanics, including Mexicans, Puerto Ricans, Cubans, Dominicans, and Central and South Americans.

Others, however, do not believe in the existence of a homogeneous Hispanic market and feel that the market must be segmented. Eduardo Caballero,

president of Caballero Spanish Media, says, "Most people who share a philosophy that the Hispanic market should not be segmented are generally those who do not speak Spanish."

The need to segment the Hispanic market is often illustrated by linguistic gaffes. In New York, for example, Puerto Ricans refer to beans as habichuelas, but to Mexicans and Cubans they are frijoles.

In summary, marketers fail to agree as to whether the Hispanic market is homogeneous or not. The only thing they do agree upon is that the market is sizeable and the dividends for reaching it are plentiful.

General Demographics

Median Income

The U. S. Hispanic median family income is estimated to be $19,900, compared to $28,400 for the U. S. total population (Strategy Research Corporation 63). The median family income by type of Hispanic origin is as follows:

Mexican	$20,200
Puerto Rican	14,200
Cuban	24,400
Other Hispanic	23,000

Source: Strategy Research Corporation 63

By region, Hispanics in the Southeast have the highest median income ($24,100), while those residing in the Northeast have the lowest ($14,400). The Southwest ($19,500) comes the closest to the national Hispanic median income of $19,900 (Strategy Research Corporation 63). Based on the regional concentrations of the three major Hispanic origin groups, this data is consistent with the preceding information showing median family income by type of Hispanic origin.

Median Age

The median age for the U. S. Hispanic population is 23.6. Slightly more than one-fourth (25.2 percent) of all U. S. Hispanics are children under the age of 12, while teens (12 to 17 years of age) comprise 12 percent of the U. S. Hispanic population (Strategy Research Corporation 58).

According to Strategy Research Corporation (58), the youthfulness of the Hispanic population is due primarily to two factors. The first factor is the relatively high fertility rate among Hispanics in comparison to the general population, as evidenced by the larger than average family size of Hispanics (3.7 for Hispanics compared to 2.7 for the total U. S. population). The second factor is the heavy immigration of young adults who are in the prime child-bearing ages. According to the Immigration and Naturalization service (Strategy Research Corporation 58), in the 1970's more than one-third of all legal immigrants from Spanish-speaking countries were between the ages of 20 and 34.

Household Size

Although one and two person households have become the norm in the United States, this does not hold true for U. S. Hispanic households which have traditionally been larger, on the average, than non-Hispanic households. The average size of the Hispanic household is 3.7 persons compared to an average size of 2.7 for all U. S. households (Strategy Research Corporation 61). All three of the major Hispanic nationality groups show average household sizes in excess of the overall U. S. average, with the Mexicans showing an average household size of 3.9, followed by the Puerto Ricans with average size of 3.7 and the Cubans with an average of 3.3 (Strategy Research Corporation 61).

Education

It is estimated that only 45.4 percent of U. S. Hispanic males 25 years of age and over have graduated from high school, compared to 67.3 percent of all U. S. males 25 and over. Among females 25 and over, the comparable figures are 42.7 percent for Hispanics and 65.8 percent for all U. S. females (Strategy Research Corporation 65). With regard to college, it is estimated that only 9.4 percent of U. S. Hispanic males 25 and over have completed four years of college, compared to 20.1 percent of all U. S. males. For females 25 and over, the comparable figures are 6.0 percent for Hispanics and 12.8 percent for all U. S. females (Strategy Research Corporation 65).

Although the previous data indicate that the level of educational attainment

is not as high for Hispanics as it is for the total U. S. population, nevertheless, Hispanics do place a high value on education and see it as part of the road to upward mobility. For this reason, a trend toward greater academic achievement among U. S. Hispanics is expected in the future (Strategy Research Corporation 37).

Occupation

The following table shows estimates of employment by occupational category for both U. S. Hispanics and the total U. S. population:

Category	Hispanics	Total U.S.
Professional/Technical	7%	17%
Managers/Proprietors	8	11
Clerical	19	19
Sales	6	7
Craftmens/Foremen	19	12
Service Workers	19	14
Operatives	13	14
Laborers	9	4
Farmers	Less than 1%	2

Source: Yankelovich, Skelly & White 23

The above data show that, overall, Hispanics are clustered in blue-collar and semi-skilled jobs in fields such as construction and manufacturing. It is expected, however, that as the level of educational attainment of Hispanics increases, so will their penetration of professional and managerial occupations (Strategy Research Corporation 37).

Cultural Characteristics

Language

Very few Hispanics are indifferent to their cultural heritage, and Spanish is the language for transmitting Hispanic cultural values.

Strategy Research Corporation reports that "increased economic and educational participation of Hispanics in American society has been accomplished without abandoning the Spanish language. For the 17.6 million Hispanics in the U. S. today, Spanish is the primary language spoken."

Over 90 percent of U. S. Hispanics cite Spanish as the first language they learned to speak. More than two-thirds of U. S. Hispanics prefer to speak Spanish in the home. Among U. S. Hispanics, the Spanish language proficiency is almost three times greater than the English language proficiency (Strategy Research Corporation 75-99).

The use of the Spanish language is still dominant among Hispanics for several reasons: emotion and pride, nearness to the homeland, and constant replenishment from immigration by Spanish-only speaking persons.

Spanish language advertising is effective even in convincing predominantly English speaking Hispanics that an advertiser is interested in them. Ernesto Balleste, a Hispanic marketing specialist in California, says, "Your mental reaction is, 'that was written for me because I understand Spanish.' When the commercial is in English, it can never register in the same way " (Advertising Age 20).

Sex Roles

Hispanics have more traditional views of sex roles in the family. A factor that keeps Hispanic household income lower than the U. S. average is that fewer Hispanic homemakers work outside the home (38 percent compared to 47 percent for the total U. S. population) (Yankelovich, Skelly & White 41). The presence of more young children is a deterrent to women entering the workforce.

Another factor among Hispanics is the definition of masculinity being based on being the breadwinner. Many Hispanics define masculinity this way. Having a working wife is a violation of basic sex roles in the view of many Hispanics, more so than among all Americans. It was, however, only about 15 or 20 years ago that Americans in general reported the same ideas about the roles of men and women. In some ways, Hispanics are moving faster than Anglos did toward changing this idea.

There is evidence today of a gradual assumption of more aggressive roles by Hispanic women. One example of this is the fact that Hispanic women are becoming more influential in big ticket purchases. It may be that modifications in sex roles for Hispanics will take place first within the family, then in the employment arena (Yankelovich, Skelly & White 72).

Holidays and Festivities

Hispanics are robust, lively, colorful people who love a fiesta. The following

holidays and fiestas are celebrated by Mexican-Americans:

16 de Septiembre (16th of September)

This is a major holiday celebrating Mexico's independence from Spain in 1810. The whole community becomes involved with parades, fiestas, celebrations of music, dance crowning of queens, food and drink. Hisapnic businesses, churches and organizations often participate. It is celebrated in nearly all Mexican-American communities in the United States.

Cinco de Mayo (5th of May)

This is a misrepresented holiday, often confused by the Anglo population with Mexican Independence Day. The real occasion, however, is a celebration of the victory on May 5, 1862, of Mexico's forces over Napleon and the French army in the Mexican city of Puebla. Although not quite as important as the 16th of September, this day is widely celebrated in Mexican-American communities throughout the U. S. with fiestas, parades, and sometimes musical events and dances.

La Navidad (Christmas)

Christmas is a big family occasion for Mexican-Americans and perhaps is more closely tied to the church than the Anglo celebration. It is an especially important day for food, preceded by extensive preparation, baking holiday breads, making dozens of tamales and other special holiday foods for the family. A popular dish at Christmas time is mole poblano, chicken in a very spicy sauce which contains, among other things, unsweetened chocolate and chile peppers. (Anglos often refer to it as "chicken in chocolate sauce".)

Quinceaños or Quinceañera

This is a celebration of a Hispanic girl's 15th birthday, her "coming out" so to speak. It starts with a religious service in which the birthday girl and her friends don ball gowns and participate in the service. The religious service is followed by a party which is as elaborate and decorative as the family finances allow. There is music, dancing and a large presentation of food. The quinceaños is celebrated by Hispanics of all nationalities throughout the United States.

The Hispanic Consumer

Hispanics Spend More

Despite their lower than average income levels, Hispanics spend a disproportionately high percentage of their earnings on packaged goods. They spend approximately $10 dollars more per week on groceries than their Anglo counterparts (Yankelovich, Skelly & White 56).

While this is due in part to their having larger families, it also stems from a general psychology of "having today". With the exception of Cubans, most left their native countries for economic reasons, to make a better life. One affordable way of showing that their life has improved is with food.

Hispanic Shopping Habits

Hispanics are generally more enthusiastic shoppers than Anglos. They view shopping as a treat, whereas many Anglos consider it drudgery. Product quality, price, and shopping ease are high in importance among Mexican-American consumers (Journal of Consumer Research 22).

Hispanic men show a greater interest in grocery shopping with their wives than do most other American men. As more Hispanic women enter the work force, men are becoming more involved in shopping, but not in the roles of homemaking, cooking and child care. The so-called "Superwoman syndrome" is more prevalent among Hispanic working women than their Anglo counterparts. Young Hispanic women who work are more likely to travel outside their neighborhoods to shop.

Hispanics in the Central and Southwest regions of the market (Mexican-Americans) do the majority of their food shopping in large traditional chain stores, and some shopping in specialty stores and neighborhood bakeries. Hispanics in the East (Cubans and Puerto Ricans) do the majority of their food shopping in small markets called bodegas (mom and pop grocery stores).

There is a Hispanic trait of seeing abundant stock in the food store as an invitation to buy without fear of depleting the supply for others. Fiesta Mart in Houston has found success in capitalizing on this idea by over-

stocking on all items Hispanics can possibly want (Advertising Age 18).

Limited research indicates that the frequency of food shopping among Hispanics is quite parallel to Anglo patterns in the Central and Southwest markets, but more frquent among Hispanics than Anglos in the East.

Are Hispanics More Brand Loyal?

Whether or not Hispanics are more brand loyal is debatable, and the research is contradictory. Yankelovich, Skelly & White studies (39) show that a commitment to national brands is stronger among Hispanics. 38 percent of Hispanics believe that the most popular brands are the best, compared to 23 percent of the general population that believes this. 82 percent of Hispanics say they stay with a brand they like.

The Journal of Consumer Research (25), however, says that only modest support was found for the notion that Hispanics are more brand loyal, and recommends futher investigation.

Armando Triana, De Paul University, reports, "Hispanics are initially more volatile, then later more loyal to particular products. That is, until brand loyalty is established, they are more likely to try new things " (Advertising Age 37) .

In some cases, Hispanics come to this country with brand preferences developed in their country of origin. An example is Coca Cola.

Couponing to Hispanics

It is generally thought that Hispanics do not show a great deal of interest in coupons. Felix Burrows, Jr., Chicago marketing specialist, says, "Much of this lack of interest can be attributed to the lack of marketing activity in the Hispanic marketplace. Major merchandisers exclude many Black and Hispanic areas when couponing direct mail promotions." Mr. Burrows goes on to explain, however, that as Hispanics are courted by marketers eager to expand their share proportions, coupons will register a significant effect on increased sales. "Coupons to minorities," he says, "are most effective when accompanied by in-store demos and ongoing ad-support schedule."

Reaching the Hispanic Market Generally

One thing that makes the Hispanic market different from the mainstream market, according to Armando Triana, DePaul University, is that advertising is not enough to establish wide and deep brand loyalty. To be effective, advertising must be supplemented by a vigorous program of promotional special events that put the product or service into the community through human representatives.

Sensitivity is the key. Avoiding cultural stereotypes and tokenism is the number-one rule in approaching the Hispanic market. What the Hispanic consumer notices most is the respect paid his culture by the marketer.

In the past, advertisers used Anglo market commercials and ads, translated into Spanish. The consensus now is that this appears as a solicitous attitude

and does more to alienate the Hispanic consumer.

Hispanics are significantly more likely than Anglos to believe that advertising represents an honest and helpful portrayal of products and people. Hispanics do not voice the amount of skepticism about advertising that many Anglos do.

The message needs to address cultural differences and appeal to the stronger emotion of the Hispanic. The message should convey the same product image that general advertising and promotion convey. English and Spanish language messages work best when they reinforce each other. Experts agree that cross-over promotion is most effective because of the frequent cross-over the Hispanic makes between Spanish and English media.

The use of a bilingual approach to marketing reinforces a sense of belonging, of a consistent image for the market.

The traditional love of home and family indicates a need to stress quality and benefits over price. Hispanics want the best for the family, and food is one of the most important focuses of the Hispanic household.

Those who have been successful in marketing to Hispanics emphasize that a multiple approach is necessary. J. C. Penney, which ranks 20th nationally in expenditures to the Hispanic market, reports, "Our entire approach has recognized that you can't develop only advertising. You have to become involved in and work with the community at the local and national level " (Advertising Age 17).

General Foods says: "...community service is a marketing tool which gives a product an excellent image in the Hispanic community ... an extension of your advertising dollar which gives a very positive exposure to the market."

Anheuser-Busch, whose Budweiser tops Hispanic beer preference lists, attributes its toehold on the Hispanic market to three factors: a good product, a good wholesaler network, and paying good attention to advertising. All three are further supported by the firm's involvement in community affairs.

The Arizona Bank, which has successfully penetrated the Hispanic South Phoenix area, attributes its success in part to "...turning community involvement into more than a P. R. exercise..."

Making Community Involvement Work

Involvement in Hispanic communities, while significant in penetrating the market, must be done without an appearance of tokenism or an overt effort to solicit business. The important idea is to demonstrate interest in the community and its advancement.

Corporations have been involved in some of the following ways:

* Sponsorship of Cinco de Mayo and September 16th fiestas.
* Sponsorship of various community events, such as health fairs, charity bike-a-thons, and floats in holiday parades.
* Involvement in various other fiestas, such as annual Hispanic Fairs or 4th of July celebrations.

* Sponsorship of Latin musical events.
* Sponsorship of voter registration drives.
* Involvement in Hispanic education and scholarship programs.
* Membership in local and national Hispanic Chambers of Commerce and their national conventions.
* In-kind contributions to non-profit organizations dedicated to the advancement of the Hispanic community.

One of the significant factors in community involvement is the presence of corporation people, and an image of sincerity. The simplest and most effective means of penetration in local markets is the presence of Hispanic personnel to assist with the involvement.

The Media Scene

Research indicates that radio and television are the two most popular media used to reach the Hispanic market. Outdoor advertising is also used frequently (Strategy Research Corporation 107).

Strategy Research Corporation (107-108) reports the following:

* Slightly more than two-thirds of all U. S. Hispanics say they watched Spanish TV yesterday.
* One-half say they listened to a Spanish radio station.
* One-fourth reported reading some form of Spanish language print.

There are over 80 full-time Spanish language radio stations, and nearly 20 full-time Spanish language television stations in operation in the U. S. Los Angeles and Miami both have seven full-time Spanish language radio stations. Los Angeles has two Spanish language TV stations, as do San Francisco, New York, Chicago and Miami. Accessibility to the Hispanic audience is facilitated by the fact that U. S. Hispanics are geographically concentrated and largely urban. They can therefore be effectively reached through the use of relatively few media outlets (Strategy Research Corporation 287).

SIN Television Network and its affiliates are the most watched Spanish language TV by virtue of their size and viewing area. The Network's 257 affiliates serve virtually every major Hispanic market in the U. S. Recently, however, three Spanish language TV stations, located in New York, Los Angeles and Chicago, have joined forces to create a competitor to SIN, called NET-SPAN.

There are also Spanish language newspapers and magazines of both local and national distribution to serve the U. S. Hispanic market. De Armas Magazine Network, for example, provides U. S. editions of the following Spanish language magazines: Buenhogar, Cosmopolitan en Espanol, Tu, Vanidades Continental and The Ring en Español.

NOTES

1 All of the demographic information in this paper was obtained from secondary data sources (Strategy Research Corporation and Yankelovich, Skelly & White) and are projection estimates made in 1984.

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